

RECEIVED
OCT 04 1989

DIVISION OF
OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/037/050
(Mineral Mined) Uranium - Vanadium

"MINE LOCATION":

(Name of Mine)

Red Rock

(Description)

Underground mine, located
close to La Sal Junction
San Juan County

"DISTURBED AREA":

(Disturbed Acres)

9

(Legal Description)

Exhibit A

"OPERATOR":

(Company or Name)

S & S Mining Co.

(Address)

Box 414

Moab, UT 84532

(Phone No.)

801/259-2915

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

Clayton Stocks

PO Box 414

Moab, UT 84532

"OPERATOR'S OFFICER(S)":

Clayton Stocks

"SURETY":

(Form of Surety - Exhibit B)

Collateral - Certificate of Deposit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

n/a

"SURETY AMOUNT":

(Escalated Dollars)

\$1,650⁰⁰

"ESCALATION YEAR"

1992

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

9-12-89

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/050 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

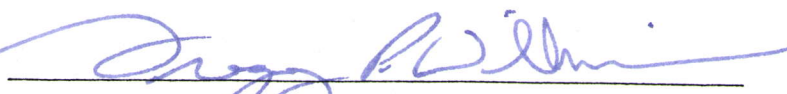
1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 30th day of November, 1989.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By 
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

Director

Date

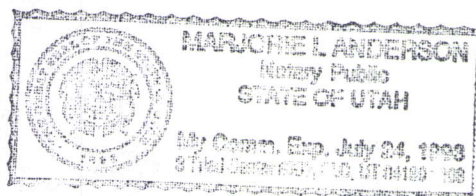
10/31/89

STATE OF UTAH)

) ss:

COUNTY OF SALT LAKE)

On the 31ST day of October, 1989, personally appeared before me, who being by me duly sworn did say that he/she, the said Dianne R. Nelson is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Mariche L. Anderson
Notary Public

Residing at: SLC, Utah

My Commission Expires:

OPERATOR:

By

Clayton Stocks
Corporate Officer - Position

Date

10-3-89

STATE OF Utah)

)

ss.

COUNTY OF Grand)

On the 3rd day of October, 1989, personally appeared before me Clayton Stocks who being by me duly sworn did say that he/she, the said Clayton Stocks is the agent of S & S Mining and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said _____ duly acknowledged to me that said company executed the same.

Jennie Gerber
Notary Public

Residing at: Moab, Utah



My Commission Expires:

Exhibit A

The Red Rock Mine is located in the Southeast 1/4 of Section 27, Township 28 South, Range 23 East, and the Southwest 1/4 of Section 26, Township 28 South, Range 23 East, in San Juan County, Utah. The surface disturbance is approximately 9 acres.

A map depicting site disturbance boundaries and facilities has been filed with the Division and can be found under file M/037/050.

MN4/198

ACT/037/050
Red Rock Mine

MR FORM 7A (6-1983)
Page 1 of 7

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

MINED LANDS RECLAMATION AGREEMENT
(ESCROW)

THIS AGREEMENT, made and entered into this 24th day of August, 1983, between CLAYTON STOCKS, BRADLEY STOCKS and WINSTON STOCKS, co-partners doing business as S & S Mining Company, hereinafter called Operator, and the Board of Oil, Gas and Mining, duly authorized and existing by virtue of the laws of the State of Utah, hereinafter called Board.

W I T N E S S E T H :

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases more particularly described in Exhibit A attached hereto.

WHEREAS, the Operator did on the 22nd day of May, 1982, file with the Director of Oil, Gas and Mining a "Notice of Intention to Commence Mining Operations and Mining and Reclamation Plan" to secure authorization to engage, or to continue to engage in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, Utah Code Annotated 1953:

WHEREAS, the Operator is able and willing to reclaim the above mentioned land affected in accordance with the approved Mining and Reclamation Plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas and Mining as to the magnitude, type and costs of the approved reclamation activity planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operation, and the fact that the Operator has been unable to obtain a surety bond.

NOW THEREFORE, for and in consideration of the mutual covenants, of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. Operator promises to reclaim the land affected in accordance with the approved Mined Land Reclamation Plan, Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.

2. The Operator, in lieu of posting a bond or other surety hereby agrees to deposit \$15,000.00 commencing herewith in what will be hereafter referred to as the escrow funds.

3. The Board, in lieu of posting of a bond, or other surety, agrees to execute an escrow agreement with the Operator and any third party designated by Operator.

4. Upon execution of the Escrow Agreement the Operator agrees to furnish the Board a copy of each receipt deposited no later than 10 days after deposit is made.

Page 3 of 7.

5. The Board and Operator agree that failure to make a deposit in the escrow fund as required shall constitute a breach of contract and the Board may, after notice and hearing, declare all moneys in the escrow fund forfeited and request the Attorney General to take the necessary legal actions to enjoin further mining activities by the Operator in the State of Utah.

IN WITNESS WHEREOF, the parties of the first and second part hereto have respectfully set their hand and seal this 24th day of August, A. D., 1983.

S & S MINING COMPANY, a
co-partnership

By Clayton Stocks
Clayton Stocks, Partner

BOARD OF OIL, GAS AND MINING

By [Signature]

Note: If the Operator is a corporation the agreement should be executed by its duly authorized officer with the seal of the corporation affixed.

STATE OF UTAH :
:ss.
COUNTY OF GRAND :

On the 24th day of August, 1983, personally appeared before me CLAYTON STOCKS who stated that he is a partner of S & S MINING COMPANY and that he signed the foregoing instrument on behalf of S & S MINING COMPANY.

MY COMMISSION EXPIRES:

12-6-83

[Signature]
NOTARY PUBLIC
Residing in Moab, Utah

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

ESCROW AGREEMENT

THIS AGREEMENT made this 24th day of August, A. D., 1983, between the BOARD OF OIL, GAS AND MINING, hereinafter called the Board, CLAYTON STOCKS, BRADLEY STOCKS, WINSTON STOCKS, co-partners doing business as S & S Mining Company, hereinafter called Operator, and FIRST SECURITY BANK OF UTAH, N.A., Moab Branch hereinafter called the Escrowee.

WHEREAS, the Board and Operator have entered into a Mined Land Reclamation Agreement upon the terms and conditions therein set forth.

WHEREAS, the Operator desires to execute an escrow agreement in lieu of furnishing a bond or other form of surety for meeting the requirements of Section 40-8-14, U. C. A. 1953.

It is therefore agreed:

1. Deposit of Escrow Fund. Commencing on the 24th day of August, A. D., 1983, to deposit \$15,000.00 in what will be hereinafter referred to as the escrow fund excluding interest. All interest earned in the said fund shall accumulate to the benefit of the escrow fund until this Escrow Agreement is terminated by mutual

consent of the undersigned or disbursement of the funds therein is ordered by a Court of competent jurisdiction.

2. Depository of Escrow Fund. The escrow fund shall be held by the Escrowee in an interest bearing account separate and apart from the personal funds of the Escrowee until such time as the Escrowee receives written direction, with respect to the disbursement of said escrow funds, together with interest earned thereby, signed by both the Board and Operator.

3. Disputes. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with any money, or property involved herein or affected hereby, the Escrowee shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing, the Escrowee shall not become liable to the undersigned or any of them or to any other person for failure or refusal to comply with such conflicting or adverse demands and the Escrowee shall be entitled to continue to refrain and refuse to act until:

a. The rights of the adverse claimants having been finally adjudicated in a court assuming and having jurisdiction of the parties, the money and property involved herein or affected hereby; and/or

b. All differences shall have been adjusted by agreement and the Escrowee shall have been notified thereof in writing signed by all the interest parties.

4. Liability of Escrowee. The Escrowee shall not be liable for any error of judgment or for any act done or step taken or omitted by

him in good faith, or for any mistake of fact or law or for anything which he may do or refrain from doing in connection herewith, except his own wilful misconduct.

5. Protection of Escrowee. The Escrowee shall be protected in acting upon any notice, request, waiver, consent, receipt of other papers or documents believed by the Escrowee to be genuine and to be signed by the proper party or parties.

6. Accounting. Escrowee shall under no circumstance, be compelled to furnish a formal accounting for the escrow funds other than at the end of each calendar or fiscal year, to notify the Board and Operator as to the date each payment was made into said funds, the total amount contained therein and the interest accumulated thereby.


7. Fee. The fee of the Escrowee has been fixed by the Operator and Escrowee under separate agreement, the Escrowee shall not be entitled to any additional fee for services rendered under this agreement.

8. Modification. This agreement may not be altered or modified without the express written consent of the Operator, the Board and the Escrowee.

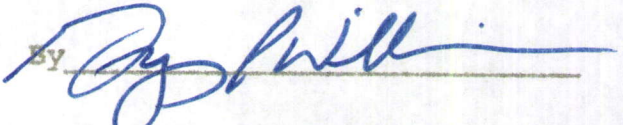
Page 7 of 7.

IN WITNESS WHEREOF, the parties of the first and second part,
have respectfully set their hand and seal this 24th day of August,
A. D., 1983.

S & S MINING COMPANY, a
partnership

By 
Clayton Stocks, Partner

BOARD OF OIL, GAS AND MINING

By 

FIRST SECURITY BANK OF UTAH,
N.A., Moab Branch

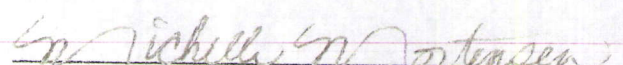
By 
Branch Manager

STATE OF UTAH :
: ss.
COUNTY OF GRAND :

On the 24th day of August, 1983, personally appeared
before me CLAYTON STOCKS who stated that he is a partner of
S & S MINING COMPANY and that he signed the foregoing instru-
ment on behalf of S & S MINING COMPANY.

MY COMMISSION EXPIRES:

12-6-83


NOTARY PUBLIC
Residing in Moab, Utah

" E X H I B I T A "

<u>NAME OF CLAIM</u>	<u>BOOK</u>	<u>PAGE</u>
Red Rock 9, 10, 11	554	1, 2, 3

TIME CERTIFICATE OF DEPOSIT

NOT TRANSFERABLE

First Security Bank of Utah
NATIONAL ASSOCIATION

No 767857

ISSUED AT (NAME OF OFFICE)

Moab Office

CITY & STATE

Moab, Utah

DATE

August 24, 1983

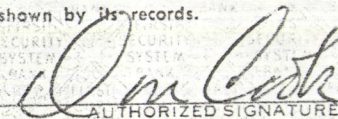
AMOUNT

\$ 15,000.00

This is to certify that State of Utah, Board of Oil, Gas and Mining
and S & S Mining Company, a copartnership herein called Registered Owner(s)
has deposited in this Bank the sum of Fifteen Thousand and no/100 DOLLARS
payable at the issuing office to the registered owner(s) upon presentation and surrender of this certificate properly endorsed on Aug. 24, 1985
Interest hereon from date to maturity at the rate of 10.30 % per annum is payable Quarterly by mailing to the
Registered Owner(s) a check for the amount of such interest or by credit to account in accordance with instructions of the registered owner(s).

This certificate is subject to the terms and conditions set forth on the reverse side hereof. NO INTEREST WILL BE PAID AFTER MATURITY.
In mailing interest checks or giving any notice the Bank may regard as correct the addresses shown by its records.

**SUBSTANTIAL PENALTY FOR REDEMPTION
PRIOR TO MATURITY**


AUTHORIZED SIGNATURE

SD 14 R7-75 6Y

NOT TRANSFERABLE

First Security Bank of Utah

NATIONAL ASSOCIATION

No 767857

ISSUED AT (NAME OF OFFICE) Moab Office	CITY & STATE Moab, Utah	DATE August 24, 1983	AMOUNT \$ 15,000.00
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This is to certify that State of Utah, Board of Oil, Gas and Mining
and S & S Mining Company, a copartnership herein called Registered Owner(s)
has deposited in this Bank the sum of Fifteen Thousand and no/100 DOLLARS
payable at the issuing office to the registered owner(s) upon presentation and surrender of this certificate properly endorsed on Aug. 24, 1985
Interest hereon from date to maturity at the rate of 10.30 % per annum is payable Quarterly by mailing to the
Registered Owner(s) a check for the amount of such interest or by credit to account in accordance with instructions of the registered owner(s).

This certificate is subject to the terms and conditions set forth on the reverse side hereof. NO INTEREST WILL BE PAID AFTER MATURITY.
In mailing interest checks or giving any notice the Bank may regard as correct the addresses shown by its records.

**SUBSTANTIAL PENALTY FOR REDEMPTION
PRIOR TO MATURITY**

[Signature]
AUTHORIZED SIGNATURE



First Security Bank of Utah, N.A.

Deposit Receipt

No 1596120

Issued at
(Office) Moab Office City and State Moab, Utah

Received of State of Utah, Board of Oil, Gas, & Mining
and S & S Mining Company, a co-partner Owner(s)

The Sum of Fifteen Thousand and no/100-----ship Dollars

Terms and Conditions. This deposit is subject to the terms and conditions stated on both sides of this Deposit Receipt and on the Deposit Conditions of the same account number issued herewith.

Interest Rate. Interest is calculated on a simple interest basis and paid as shown on this Deposit Receipt.

Frequency of Rate Change. If the interest rate on this deposit is subject to change during the term of the deposit, the frequency of change is shown on this Deposit Receipt.

Automatic Renewal. If automatic renewal is shown on this Deposit Receipt, this deposit shall be renewed for successive identical terms at each maturity date, at the then prevailing rate, unless payment is requested by the registered owner(s).

Notice Period. If the Bank reserves the right to require written notice prior to payment of this deposit, the notice period is shown on this Deposit Receipt.

SD-20A R 8/88 7Y

Office Number <u>045</u>	Product Code <u>155</u>	Account Number _____
Date of Deposit <u>4-30-89</u>	Amount <u>\$ 15,000.00</u>	
Interest Rate <u>9.150</u>	Frequency of Rate Change <u>None</u>	
Maturity Date <u>10-31-89</u>	Term <u>6 Months</u>	Frequency of Interest Payment <u>Quarterly</u>
Automatic Renewal <u>Yes</u>	Notice Period <u>N/A</u>	Interest Payment Method <u>Compound</u>
Social Security or Tax ID Number _____		

Received by Lylea Randall
Authorized Signature Depositor Copy



Deposit Conditions

Money Master Insured Time Deposit Account

155

The conditions below apply to the deposit identified by the Deposit Receipt showing account number _____

Effective Date: October 1, 1986. Previous editions are obsolete.

1. Minimum Opening Deposit. \$500. No maximum.
2. Term. Two months to five years, stated in months. The deposit automatically renews at maturity for an additional like term. Depositor may withdraw the deposit on any maturity date or within ten (10) days thereafter without penalty.
3. Interest Rate. (a) Fixed Rate Deposits carry the same rate from date of deposit to maturity. A new rate may be assigned when the deposit automatically renews; such rate to continue until the subsequent maturity date. (b) Variable Rate Deposits carry the rate on date of deposit until the Bank, in its sole discretion, establishes a new rate for the deposit. Any new rate continues until changed by the Bank. A new rate may be assigned when the deposit automatically renews or at any other time. Current interest rates on deposits of like amount and term are published at branch offices of the Bank. (c) Interest is calculated on a 360-day basis, and paid as shown on the Deposit Receipt for this account.
4. Early Withdrawal Penalty. The penalty for early withdrawal of time deposits shown on the reverse of this form applies to this deposit account.
5. Additional Deposits. (a) Additional deposits to Fixed Rate Accounts are not permitted. (b) Additional deposits to Variable Rate Accounts may be made in the amount of \$100 or more. Deposits made by automatic transfer from First Security Bank checking and savings accounts may be made in any amount. Deposits to the account earn interest from the day of deposit.

6. Changes in these Conditions. The Bank reserves the right to change any of the conditions of this account at its discretion.

7. TIN/Backup Withholding Certification. The Bank is required by Federal law to obtain the Owner's Taxpayer Identification Number (TIN) upon opening the account. A TIN may be a Social Security Number or an Employer Identification Number. If the Owner does not provide the Bank with a TIN and certify under penalty of perjury that the TIN is correct, the Owner may be subject to certain penalties as well as tax withholding of any interest earned on the account at the rate of 20%.

The Bank reserves the right not to open the account if the Owner does not provide a TIN certified to be correct. However, if the Owner is applying for a TIN, the account may be opened if the Owner so certifies on form W-9. But if a TIN is not provided to the Bank within 60 days, the Bank must apply backup withholding to the earnings on the account until the TIN is provided. The Bank also reserves the right to close the account if the TIN is not provided after the 60-day period. The owner is also required to certify that he/she is not subject to "backup withholding" when the account is opened. If the Owner does not so certify, the Bank is required to withhold tax from the earnings on the account at the rate of 20%.

8. Rights of Joint Owners. If there is more than one owner of this account, each owner, acting alone, can withdraw or transfer funds from the account. Also, each owner, acting alone, can effectively terminate this account by withdrawing all or substantially all of the funds and depositing the same in a new account which omits the name of one of the owners.

SD-21 (155) REV. 8-87

• leave CD in there name
• pledge assigned to Bank

**First
Security
Bank
of Utah**

Post Office Box 99 • 4 North Main Street • Moab, Utah 84532

September 11, 1989

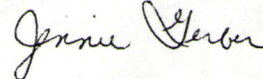
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
Attn: Lowell P. Braxton
355 West North Temple
3 Trial Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Mr. Braxton:

Enclosed please find a new deposit receipt for S & S Mining Company. Mr. Clayton Stocks took out the excess interest on account number [REDACTED]. It was necessary for us to type up a new receipt showing the new balance of \$15,000.00. This time deposit will still mature on October 31, 1989.

If you have any questions, please get in touch with me. Thank you.

Sincerely,



Jennie Gerber
New Accounts

Enc.



Norman H. Bangertter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 5, 1989

Mr. Don Cook
Branch Manager/Vice President
First Security Bank of Moab
P O Box 99
Moab, Utah 84532

Dear Mr. Cook:

Re: Excess Interest on Reclamation Surety, S & S Mining Company, M/037/050, San Juan County, Utah

It has come to the Division's attention that an excess amount of surety has accumulated on a Certificate of Deposit filed under this Division's name and S & S Mining Company. The number on the Certificate of Deposit reads . The current account number is .

According to a recent phone conversation with personnel at your branch, the current balance of this account is \$23,543.61. Please release any excess of \$15,000, of this money, to Mr. Clayton Stocks, or any valid signer for S & S Mining Company. This amount would be \$8,543.61, at this point in time. The root amount, \$15,000, must be left in the account until released in total by this Division.

Thank you for your attention and action.

Sincerely,

Lowell P. Braxton
Associate Director, Mining

jb
cc: L. Robert Anderson
Clayton Stocks
MN5/132